

STATE OF NEBRASKA
DEPARTMENT OF PROPERTY ASSESSMENT & TAXATION

2003 ANNUAL REPORT

PREFACE

This is the **fifth** annual report published for our agency. As of July 1, 1999, the former Property Tax Division of the Department of Revenue became a separate agency called the Department of Property Assessment & Taxation, directed by the Property Tax Administrator. All property tax data prior to 1999 can be found in the Department of Revenue's Annual Report.

The purpose of our annual report is to provide interested citizens with pertinent information about property valuations, tax rates, and taxes levied for local governments. The annual report focuses on summary information for the current tax year and also provides historic data for the state.

The information contained in this annual report should be viewed as a source material. Although every attempt for accuracy is made, this report should not be viewed as a substitute for independent research or legal document in place of an attorney's opinion.

A sincere thank you is extended to all Nebraska assessors for their efforts in reporting data which serves as the basis for much of our annual report.

The Department of Property Assessment & Taxation appreciates any comments that you may have regarding the format, content and usefulness of this information.

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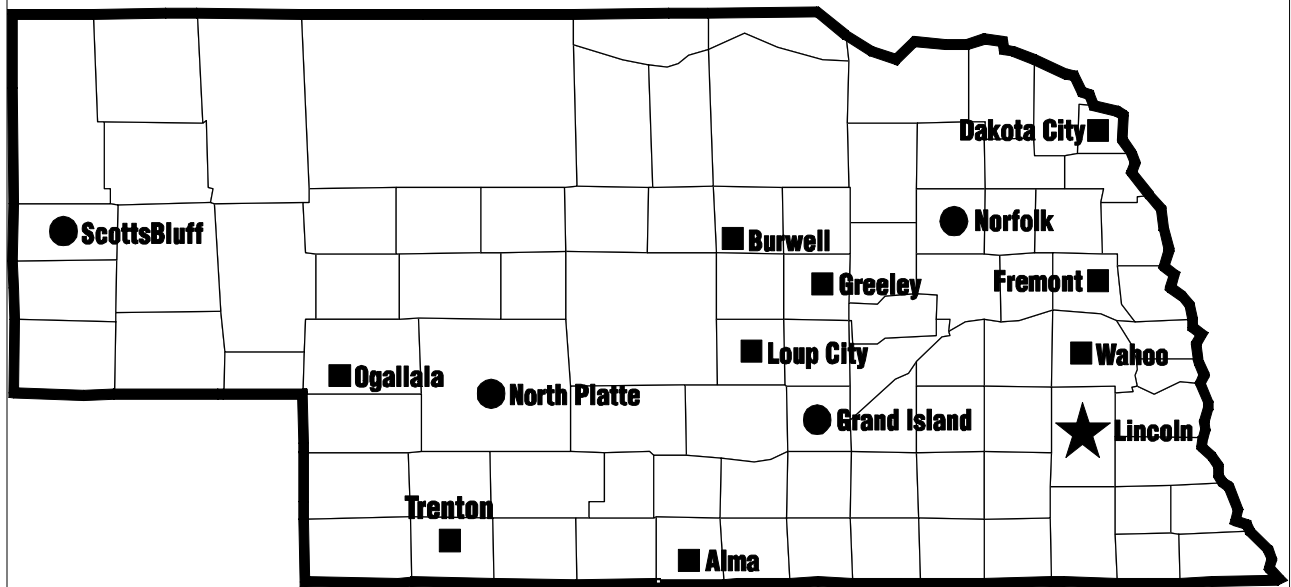


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PURPOSE

The purpose of the Nebraska Department of Property Assessment and Taxation¹ is to develop information, in various formats, that assists the administrators, payers and beneficiaries of the property taxes to make informed decisions concerning the quality of the assessment function of the property tax system in Nebraska. Beginning on July 1, 1998, the Department assumed the assessment function in several counties in Nebraska.

The Department, directed by the Property Tax Administrator², is statutorily created and is governed by the Nebraska Constitution and statutes. Its functions include, but are not limited to, the following:

- To provide legal, policy and assessment information through regulations, rulings, directives, standards, manuals, and education, to the county assessors and other assessing officers to ensure the uniform execution of the property tax laws³.
- To administer the assessment function in counties which have transferred that responsibility to the Property Tax Administrator⁴.
- To provide advice concerning the assessment of real property to ensure the uniform and proportionate valuation of real property⁵.
- To provide information to the property owner concerning the level of value and quality of the assessment of real property in each county⁶.
- To determine the assessable valuation of all taxable property in each school district⁷.
- To value and distribute the value of property required to be valued by the state, such as railroad companies, public service entities, car companies, and air carriers⁸.
- To administer the assessment administrative program for contracted counties⁹.
- To determine the appraised value for the public sale of educational lands.¹⁰
- To determine the eligibility for exemption of certain personal property subject to compliance with the Employment and Investment Growth Act (LB775).¹¹

¹ 77-701.

² 77-701 and 77-702.

³ 77-1330.

⁴ 77-1340 to 77-1340.03.

⁵ 77-702 (2).

⁶ 77-1327.

⁷ 79-1016.

⁸ 77-600's, 77-800's, and 77-1244 to 77-1250.05.

⁹ 77-1331.

¹⁰ 72-258.03.

¹¹ 77-4105.

DIVISIONS of Nebraska Department of Property Assessment & Taxation

Property Tax Administrator

The Property Tax Administrator is the chief executive officer of the Department of Property Assessment and Taxation. The qualifications and duties of the Property Tax Administrator are established by statute (see, Neb. Rev. Stat. section 77-701 and 77-702). The Property Tax Administrator is appointed by the Governor, with the approval of a majority of the members of the Legislature, for a six-year term.

Administration

The Administration Division is responsible for management of the support functions of the Department such as budget and accounting, personnel, and performs general office administration for all divisions. This division includes the Research Director of State and Local Finance, which is a shared position with the Department of Administrative Services – Budget Office. The Research Director works with other state agencies on research and analysis of state and local tax and spending policy, both historical and forecasted, for policy development of state and local finance issues

Policy/Legal

The Policy/Legal Division is responsible for all legal matters for the Department. The Department currently has two attorneys to serve all legal functions. Additionally, the Department has Associates that provide policy functions such as legislation, regulations, correspondence, coordination of education for assessor's certification, and promulgation of the Nebraska Assessor Reference Manual and Agricultural Land Manual, information guides/brochures, and other associated duties. This Division is responsible for specific statutory duties, including: valuation of state assessed property (railroad companies, public service entities, car companies and air carriers); distribution of car company and air carrier taxes; creation of the Tax Increment Financing Annual Report; determination of the appraised value for the public sale of educational lands; determination of the eligibility for exemption of certain personal property subject to compliance with the Employment and Investment Growth Act; annual certification of school adjusted valuation used in state aid calculations; administrative reports filed by counties for data collection of valuation and property tax information; preparation of the Department's Annual Report; and to provide specific support functions to users of the computer software program (PTAS/CAMA) that the Department provides to its assessment offices and contracted counties.

Information Technology

The Information Technology Division is responsible for the Department's personal computer environment and providing advice and assistance to all Department staff on the utilization of the

programs used by the Department. This division includes the Department's data entry staff which performs support functions to all divisions. Currently, this Division's staff troubleshoots all technology issues and administers the GIS – Geographic Information Systems and associated data bases, e.g. maps with pertinent characteristics that impact valuation, taxation, equalization, etc. This staff is also responsible for the administration of the computer software program for the Property Tax Administrative System/Computer Assisted Mass Appraisal Division (PTAS/CAMA). This program is used by the Department's assessment offices and counties contracted with our office.

Measurement

The Measurement Division is responsible for ascertaining the level of value and quality of assessment of all real property in each county. This Division works directly with county officials and provides advice and guidance on all issues of the assessment process, with particular focus on the assessment of real property. This Division develops the sales file that is used throughout the assessment process, including: determining the adjusted valuation for school districts; information for the Reports and Opinions of the Property Tax Administrator provided to the Tax Equalization and Review Commission; and, valuation information for use by the county assessors. The sales file is a statutorily required database containing sales of real property for use in valuation and measurement. The employees in this Division, Field Liaisons, are located throughout the state, so that they are experienced in the area of their work and are readily available for assistance to the counties that they serve. The Liaisons work with the county assessors on analysis of sales information and assessment practices and procedures.

Assessment

The Assessment Division is responsible for performing the assessment function in counties where the function has been assumed by the Department. These functions include management of the assessment office in each county and the appraisal of all real property in each county. Currently, the Department has assumed the assessment function in the following nine counties: Dakota, Dodge, Garfield, Greeley, Harlan, Hitchcock, Keith, Saunders and Sherman. While the process for managing the assessment office is fairly unchanged as a result of the state assumption, the Department's philosophy regarding the appraisal function is different from that of an individual county. The Department is creating an appraisal staff that is to be shared among the counties that are assumed. It is hoped that sharing these resources will allow for a more efficient allocation of resources. While some of the counties are large and active enough to justify their own appraiser or appraisers, some of our counties are small enough to share appraisal staff if they are located close to one another.

PROPERTY TAX HISTORY

Since the beginning of Nebraska's statehood, property tax was a major source of state and local operating revenue. This tax was initially adopted by the Territorial Legislature in 1857. The growing need for public services and changes in economic structure caused property taxes to steadily increase. This in turn prompted the necessity for relieving property taxes and providing new sources of revenue.

In November 1966, approval of a constitutional amendment abolished "state" property taxes. Also, the Legislature repealed the head and poll taxes, the tax on intangible property, the tax on household goods, and certain miscellaneous personal property taxes. In order to replace lost revenues, the Legislature adopted two broad-based taxes in the Revenue Act of 1967; the state sales and use tax and the income tax. In addition to replacing lost state revenue, a portion of the sales and income tax monies were designated to finance state aid programs. At that time, \$35 million was designated annually for aid to school districts. An additional \$10 million each year was distributed to cities and counties to replace lost revenues due to the elimination of intangible property, household goods, and personal effects from the property tax base.

In 1969, the Homestead Exemption Act was passed to provide property tax relief to owners of residential property. It provided for an exemption of \$800 of actual value for residences valued at \$4,000 or more. At that time, it involved about \$3.5 million annually. The homestead exemption benefits have been changed over the years and currently provide for an exemption of all or part of real property taxes, for individuals over 65 with limited income, veterans, and individuals with certain disabilities. Additionally, approximately, \$1.5 million dollars was appropriated for public and junior colleges.

Since 1967, "local" units of government have exclusively levied property taxes. In 2002, Nebraska's local governments levied approximately \$ 1.87 billion in property taxes. In addition, for fiscal year 2002-2003, there is approximately \$ 984.7 million in local tax relief (state aid) appropriated for local governments (see statistical Table 3B & 3C).

Over the years, Nebraska's property tax structure has changed as the Legislature attempted to address various economic concerns. Property tax remains primarily a tax on real property but changes have been made in the classification of property, as well as the level of assessment at which property is taxed. Nebraska's constitution, Article VIII, Section 1, requires uniformity and proportionality both as to the rate and the valuation.

Social and economic trends continue to impact Nebraska citizens' views on all taxes and state aid programs. Meanwhile, the payers and recipients of taxes share in the benefits of public schools, roads, law enforcement, and a number of other public facilities and programs.

SUMMARY OF LEGAL/LEGISLATIVE ACTIONS THAT HAVE SHAPED NEBRASKA'S PROPERTY TAX POLICY

General Overview:

The Nebraska Constitution, Article VIII sets out the general principles upon which the property tax system is built. Specifically, section 1, subsection (1) states, "Taxes shall be levied by valuation uniformly and proportionately upon all real property and franchises as defined by the Legislature except as otherwise provided in or permitted by this constitution." The constitution further defines different principles for real property and personal property and provides for exemptions and preferential valuations.

Real Property:

Nebraska Constitution Article VIII, section 1, subsection (1) directs that the property taxes imposed on real property shall be based upon valuations that are uniform and proportionate. However, for agricultural land, section 1, subsection (4) provides that valuations need not be uniform and proportionate with other classes of real property but must be uniform and proportionate upon all property within the class of agricultural land. Classification changes are addressed in the following sections for agricultural land and personal property. Over time, changes have also been made in the level of assessment at which property is taxed, as follows:

- a) 1920 and prior years, property was assessed at one fifth of its actual value;
- b) 1921 to 1952, property was assessed at its actual value;
- c) 1953 to 1955 property was assessed at 50 percent of its actual value;
- d) 1956 and 1957 property was assessed at 50 percent of its base value;
- e) 1958 to 1980 property was assessed at 35 percent of its actual value;
- f) 1981 to 1992 property was assessed at 100 percent of actual value;
- g) 1992 to current property is assessed at 100 percent of actual value, with the exception of agricultural land which is assessed at 80% of actual value.

Agricultural Land:

1972: Constitutional amendment, Article VIII, section 1, subsection (5); Legislature is authorized to enact laws providing for the valuation of land actively devoted to agricultural or horticultural uses based on its agricultural or horticultural use without regard for other purposes and uses. Subsequently, the Legislature authorized special valuation.

1984: *Kearney Convention Center v. Board of Equal.*, 216 Neb. 292, 344 N.W.2d 620 (1984). Commercial property owners requested that their valuation be equalized with agricultural land which was assessed at a lower level of value.

1984: Constitutional amendment, Article VIII, section 1, subsection (4); agricultural land is defined as a separate and distinct class and authorized the use of any different approach to value agricultural land.

1986: The Legislature adopted a method to value agricultural land according to a formula based on earning capacity (LB271 1985). Income streams were averaged by county and the

capitalization rate was fixed in statute. Earning capacity is not similar to the income approach to value as used in professionally accepted appraisal practices.

1987: *Banner County v. State Bd. of Equal.*, 226 Neb. 236, 411 N.W.2d 35 (1987). While the constitution stated that agricultural land was a separate and distinct class of property, the constitution still required that all real and tangible personal property values be uniform and proportionate. Using the earning capacity formula to value agricultural land would have been allowable if the resulting values had been correlated to be proportionate with all other real and tangible personal property.

1989 Legislation was passed to change the assessment of agricultural and horticultural land so that the results could be adjusted to be uniform across county lines (LB361).

1990: Constitutional amendment; agricultural land defined as a separate class of real property and removed from the uniform and proportionate clause, meaning that it need not be uniform and proportionate with OTHER CLASSES of property. However, the values of agricultural land must be uniform and proportionate within the class of agricultural land.

1991 In response to *Banner County v. State Bd. of Equal.*, the Legislature passed LB 404, which froze agricultural and horticultural values for tax year 1991 at the 1990 value, to give time to respond to the case. The Legislature also passed LB 320, effective for 1992, which changed the assessment of agricultural land so that the capitalization rate used to set value is market-derived. The capitalization rate was increased 25% so that the resulting values from the income calculation correlate to 80% of market value.

1992: The Legislature requires that agricultural land be valued at 80% of actual or market value. All other real property is valued at 100% of actual or market value.

2000: *Bartlett v. Dawes County Board of Equal.*, 259 Neb 954, 513 N.W.2d 810 (2000). Supreme Court ruled that the Tax Equalization & Review Commission could not adjust by market area to achieve inter-county equalization because market areas were not defined as a class or subclass under the statutes.

2001: In response to the Bartlett case, the Legislature provided for a definition of class or subclass of real property as a group of properties that share characteristics not shared by those outside the class or subclass. The classification may be based on parcel use, parcel type, location, geographic characteristics, zoning, city size, parcel size, and market characteristics that affect market value.

2002: Legislation was passed requiring the Property Tax Administrator to prepare and issue a comprehensive study to determine the level of value of agricultural and horticultural land that is receiving special valuation.

Personal Property:

1967: The Legislature repealed the head and poll taxes, exempted household goods, clothing and other personal items, and exempted intangible personal property such as stocks, bonds and certificates of deposit.

1970: Constitutional amendment; voters give approval to the Legislature to classify and exempt personal property.

1972-1974: The Legislature partially exempted from taxation agricultural income producing machinery and equipment; business inventory; livestock; grain and seed; and poultry, fish and fur bearing animals. The Legislature provided for a 12.5 percent exemption of actual value for calendar year 1973. The exemption increased by 12.5 percent each year until a total of 62.5 percent was exempt in 1977. Political subdivisions were reimbursed for the tax revenue loss resulting from these exemptions. In 1974, the Nebraska Supreme Court ruled that personal property tax exemptions were constitutional.

1977-1981: The Legislature completely exempted from taxation the classes of personal property that had been partially exempted except business inventory and livestock were fully exempted in calendar year 1978. The Legislature appropriated \$58.6 million as Personal Property Relief to reimburse local governments for the losses resulting from these exemptions. Business inventories became totally exempt for calendar year 1979 and a reimbursement of \$62.2 million was appropriated for fiscal year 1979-1980. Livestock became totally exempt in calendar year 1980 and a reimbursement of \$70 million was appropriated for fiscal year 1980-1981.

1982: The Legislature eliminated the Personal Property Tax Relief and the Government Subdivision Fund. LB 816 provided for the distribution of aid to community colleges, natural resource districts, incorporated municipalities, counties, and for aid to school districts from the School Foundation and Equalization Fund.

1986: Car line companies began requesting that their personal property be equalized with all personal property. Citing protection under the 1976 Federal Railroad Revitalization and Regulatory Reform Act – the 4-R Act, the car line companies argued that since much of the personal property in Nebraska was exempted from taxation by the legislature (inventory, agricultural machinery and equipment, earth-moving equipment, etc.), therefore their personal property was being taxed to a greater degree than other personal property in Nebraska. Based upon the 4-R Act, the Federal District Court ruled that the Nebraska property tax on personal property of car companies violated the Federal 4-R Act. The State was prohibited from collecting property tax on car companies.

1987: Railroads filed suit against Nebraska arguing that the property tax on railroad personal property violated the Federal 4-R Act. The litigation was settled in 1989, resulting in the railroad companies paying tax on 25 percent of their value attributed to personal property for 1987, 1988, and 1989.

1988: LB 1091 - Created a one time appropriation to reimburse local governments for any losses attributable to the railroad 4R Act litigation that exceeded one percent of expected property tax dollars. After line item vetoes and partial overrides, the amount appropriated to the fund from the Cash Reserve Fund totaled \$7.7 million.

1988-1990: Following the railroads, other centrally assessed companies such as pipelines, telecommunications, and airlines appealed to the State Board of Equalization requesting

equalization of their personal property with the exempt property of car companies and railroads. The companies were denied by the State Board and appealed to the Nebraska Supreme Court based on the Nebraska constitutional requirement of uniform and proportionate values for the levy of property taxes.

1989: The Nebraska Supreme Court ruled in favor four pipeline companies for the 1988 tax year, and the State Board equalized their personal property value to zero. In July 1991, the Nebraska Supreme Court ruled on the tax year 1989 equalization requests of centrally assessed companies. The court found that equalization was not an appropriate remedy. All previous personal property exemptions were declared unconstitutional, effectively overturning the 1974 decision allowing personal property exemptions. As a result of the court's decision on the 1989 cases the State Board reduced the 1990 certified values of the appealing centrally assessed companies by 18.81 percent.

1991: LB 829 – Exempted all personal property from property tax for 1991 only and reimbursed local governments for the loss using a series of revenue-raising proposals including a depreciation surcharge, a temporary reduction in the sales tax collection fee, extending the sales tax to manufacturing energy, and a one-year increase in the corporate occupation tax. The total cost was \$120 million.

1992: Constitutional amendment LR 219CA was adopted and removed personal property from the uniform and proportionate clause of the constitution. It authorized personal property to be either taxed on actual value or net book value while allowing reasonable classifications to be exempt, and set apart a classification for the properties of entities that are protected by federal law, such as railroads. The Legislature passed LB 1063 and the "net-book" concept of taxing depreciable tangible personal property was adopted, rather than taxing personal property based on actual value.

1993: The Nebraska Supreme Court ruled on the appeal of the State Board of Equalization and Assessment's action which reduced the 1990 certified values of the appealing centrally assessed companies by 18.81 percent. The court upheld the State Board of Equalization's remedy which was to refund the difference between the tax the appellants would have been required to pay if all of the exempt property in question had been placed on the tax rolls and taxed.

1994: The legislature exempted livestock from the personal property tax.

Recent Property Assessment Structure Changes:

1996: The property assessment calendar was changed so that statewide equalization is completed first in the process and then property valuation notices are sent to individuals. An individual may then protest his or her property valuation to the county board of equalization (LB 452 -1995).

1996: The Tax Equalization and Review Commission (TERC) replaced the State Board of Equalization and Assessment in the equalization of property valuations. In addition to its constitutional statewide equalization duties, the Commission replaced the district court for the purpose of hearing individual appeals from decisions of the Property Tax Administrator, Department of Motor Vehicles, or the county board of equalization involving the valuation and

taxation of property. Commissioners are appointed by the Governor and serve six-year terms (LB 452 -1995).

1996: For purposes of TERC's statewide equalization of real property, the Legislature established acceptable ranges for the level of value for each class of property. The acceptable ranges for the level of value are 74 to 80% of actual value for agricultural land and 92 to 100% for all other real property (LB 452 -1995).

1996: The Property Tax Administrator position is created to oversee the Property Tax Division of the Department of Revenue. The powers and duties of the State Tax Commissioner relating to valuation and taxation of property were transferred to the Property Tax Administrator. The Property Tax Administrator is appointed by the Governor and approved by the Legislature to serve a six-year term (LB 452 -1995).

1998: Beginning July 1, 1998, a county board may vote by resolution to have the Property Tax Administrator assume the county assessment function. The state would become fiscally responsible for the assessment functions in that county. County assessor and employees of the assessor's office in those counties become state employees. *(To date, 9 out of 93 counties have turned the assessment function over to the state).*

1998: LR 45 CA placed four separate constitutional amendments on the 1998 general election ballot as follows: (1) strike the requirements that motor vehicle taxes be distributed to local governments in proportion to property taxes levied, (2) provide for the merger or consolidation of cities and counties, (3) limit the property tax exemption for government property to property used for a public purpose, and (4) strike all references to townships in the Constitution. The first three amendments succeeded while the fourth failed.

1999: Beginning July 1, 1999, the former Property Tax Division of the Department of Revenue became a separate agency called the Department of Property Assessment and Taxation, directed by the Property Tax Administrator.

2001: Beginning January 1 2001, property of the state and its governmental subdivisions that is not used or not being developed for a public purpose is taxable, based on Constitutional Amendment to Article VIII, section 2, subsection (1). Previously, all governmentally owned property, no matter how used, was exempt from property taxation. The original legislation, LB 271, passed in 1999 and implementation was delayed until 2001.

2003: Following the implementation of LB 271, a number of political subdivisions took issue with the taxation of their property and appealed the taxability of certain governmentally owned property. In 2003, both the Nebraska Supreme Court and Nebraska Court of Appeals issued decisions on this issue. See, *City of Alliance v. Box Butte Cty. Bd. of Equal.*, 265 Neb. 262 (2003), *Brown Cty. Ag. Society v. Brown Cty. Bd. of Equal.*, 11 Neb. App. 642 (2003), *City of York v. York Cty. Bd. of Equal.*, 266 Neb. 297 (2003), *City of York v. York Cty. Bd. of Equal.*, 266 Neb. 305 (2003) and *City of York v. York Cty. Bd. of Equal.*, 266 Neb. 311 (2003). Although each case deals with a separate factual situation, it appears that the courts have taken a fairly expansive view of what constitutes a "public purpose" under LB 271. If, for example, the political subdivision is authorized to use its property in a particular way, that use constitutes a

public purpose for the purposes of being exempt from property taxes, even if the property is also being used for an ongoing nonpublic use. Further, if a public purpose is advanced by the ownership of the property by the political subdivision, that use will be deemed to predominate, even if there is another, ongoing nonpublic use being made of the property. The courts did not specifically deal with the question of whether the mere generation of proceeds for the political subdivision through the use of its property would be sufficient to maintain the exempt status of the property.

Motor Vehicles:

1997: The Legislature passed LB 271, changed the method for taxation of motor vehicles to a uniform, statewide tax and fee system rather than according to value. The fee is a nominal amount, generally between \$5 and \$30 and the proceeds are distributed to cities and counties based on the Highway Trust Fund dollars. The motor vehicle tax is determined from a table that begins with the manufacturers suggested retail price (MSRP) and declines each year thereafter, using a table found in state law. Responsibility for motor vehicle taxation was shifted from the county assessor to the county treasurer.

1998: LR 45 CA amended the constitution, eliminating the requirement that motor vehicle taxes be distributed to local governments in proportion to property taxes levied.

1999: LB 142 – Implemented part of LR 45CA by providing that the proceeds from the motor vehicle tax be distributed 60% to the school district where the vehicle is registered, 22% to the county and 18% to the city except in Douglas County where the city-county shares are reversed.

Homestead Exemption:

1969: Homestead exemption program was created with the intent to exempt from property taxation all or a portion of the value of the residence of individuals meeting certain criteria. The original cost of the program was \$6.4 million and today the cost is approximately \$41 million.

1983: Eliminated a general homestead exemption that exempted the first \$800 of value of a homestead valued at \$4000 or more. The cost savings was \$4.7 million.

1984: LB 809 - Adopted a general homestead exemption of \$3000 and required property tax statements to reflect that the state was financing the exemptions. This was estimated to cost about \$18 million. However, the program was delayed and the repealed after one year. It was never implemented.

1986: LB 1268 - Provided for a sliding scale for homestead exemption benefits for elderly and disabled beneficiaries as income increased.

1988: LB 1105 eliminated the sliding scale of benefits for homestead exemptions and provided that those with income below the filing threshold of \$10,400 received the full \$35,000 exemption.

1989: LB 1105 granted an 8 ½% reduction in property valuation or a \$5,400 general homestead exemption for 1989 only, the reductions to be financed by the state. Total cost \$114 million.

1994: LB 802 enacted significant changes to homestead exemption program; redefined household income, increased the amount of exemption, required the filing of an income statement, placed limits on the value of the home for which an exemption application is made, and implemented a sliding scale that allows partial exemption as income increase. Overall, these changes were revenue neutral.

1999: Increased the homestead exemption income eligibility amounts and expanded the definition of disability for purposes of eligibility. The cost of the expansion was \$8.8 million, pursuant to LB 179.

State Aid to Education (TEEOSA):

1990: The Legislature enacted LB 1059, Tax Equity and Educational Opportunities Support Act (TEEOSA). LB 1059 increased the sales tax rate from 4% to 5% and the income tax rates by 8.5% for 1990 and an additional 8.5 % for 1991 to fund the act. This landmark school finance legislation dramatically increased state aid distributed to schools in an “equalized” manner. School costs were calculated per student within nine “tiers” or groups of similarly-sized schools and the formula enabled each school district to finance the average cost per student for the tier with a combination of state aid and property taxes at a defined “local effort rate”. The rate varied based on the amount of appropriation available. LB 1059 also “rebated” 20% of the income tax paid by residents of the district to the district. Total cost when fully implemented was about \$210 million. The purpose of LB 1059 was to provide additional state aid to schools, reduce the reliance on property taxes to fund public education, and to try to remedy inequities in educational fiscal resources for students. While the formula for distributing state-aid has been adjusted several times since 1990, measuring each school district's ability to generate revenue through property taxes remains an important component in the school-aid formula.

1994: Beginning in 1994, the assessable property valuation (agricultural land at 80% of actual value and all other real property at 100% of actual value) of each school district has been determined by the Department of Property Taxation and Assessment each year. This provision "levels the playing field" and prevents a school district from receiving an unfair advantage in the school-aid formula if their property valuations are at a lower level than other school districts.

1996: The Legislature enacted LB 1050 which revised the school aid formula to (1) limit the amount of income tax rebate to \$82 million, (2) change the distribution of Insurance Premium Tax dollars from per student to being included as part of the equalization aid program, and (3) created an incentive for schools that consolidate.

1997: LB 806 revised the school aid formula by eliminating the tiers created in LB 1059 (1990) and providing for only three cost groupings, sparse, very sparse, and standard. The bill also provided for allocation or calculation of the budget for Class I schools that are part of a Class VI system or are affiliated with another K-12 district, thus integrating the levy of each “system” into the levy limits of LB 1114 (1996). Finally, the bill increased the appropriation for the school aid by \$110 million.

1998: LB 149 - Made a school finance change that provided that the amount of school aid to be provided by the state is the be the full amount needed to fund all calculated needs for schools, assuming the local effort rate is equal to 10 cents less the levy limit.

2002: LB 898- Statutorily reduced the calculated needs of schools by about 1 ¼% for 2002-2003 through 2004-2005 to reduce school aid by about \$22 million.

Other Recent Property Tax Policy Changes:

1996: LB 1114 Imposed levy limits on all local governments to limit the total property tax rate (excluding exceptions) to \$2.24 per \$100 of taxable value beginning in 1998 and \$2.13 when fully implemented in 2001. Exceptions were for bonded debt, grandfathered building fund projects for schools, grandfathered capital lease purchases, and voter-approved overrides. Another crucial change was the concept of allocated levies, wherein counties were responsible for including the levy of small miscellaneous governments within the 45 cent limit of the county.

1996-1997: LB 299 imposed certain budget limits. For all political subdivisions, except schools and SID's 5 years old or less, the budget limit for restricted funds for fiscal year '96-'97 was 2% plus population growth. For fiscal year '97-'98 the budget limit was the prior year's total of restricted funds plus population. For school districts the budget limit for general fund expenditures, other than special education, for fiscal year '96-'97 was 2% plus the percent increase in the number of students. For fiscal year '97-'98 the budget limit was the prior year's general fund expenditures, other than special education, plus the increase in students. There were certain statutory exceptions to the limits and provisions to exceed the limit by 1% required a 75% vote of the governing body.

1996: LB 1177 Created a Municipal Equalization Fund and provided for aid to municipalities that are unable to raise the average amount of property tax revenue per capita with the average property tax levy. The bill also allowed counties to levy a sales tax of up to 1.5% to support the county share of jointly provided public safety services.

1997: LB 269 – (1) Changed the levy limits for Community Colleges from eight cents through 2000-2001 and four cents thereafter to eight cents through 1999-2000 and seven cents thereafter, (2) created a new equalization formula for funding Community Colleges that makes up for any differences between the maximum levy times the valuation for the area and 40% of the total spending allowed to the area, (3) provided for levy allocation by municipalities for Community Redevelopment Authorities, city airport authorities and other entities created by cities, and (4) divided municipalities into three different size groupings for purposes of the state's city equalization formula, per LB1177 (1996).

1998: LB 695- Provided an equalization aid program for counties. The program distributes about \$6 million annually to counties that are unable to generate the average number of dollars per road mile by levying a uniform local effort rate provided for in the bill. The bill also provided that counties receive \$35 per day for state prisoners held in county jails, a program which was originally budgeted to receive 6 million dollars of funding.

1998: LB 1120 - Created an aid program for rural and suburban fire protection districts that cooperate by setting a uniform tax rate to finance these services in the great majority of any one county. The aid amount is \$10 per resident within the agreement. The annual cost is about \$2.5 million.

1999: LB 881 Used the Cash Reserve Fund to provide for specific property tax relief programs. For 1999, \$30 million was distributed to Community Colleges based on valuation. The additional distribution to Community Colleges was also repeated in 2000 using General Funds. Finally, in 2001, \$35 million was transferred to the General Fund to help finance the additional school aid needed to fund the reduction in levy limit for schools from \$1.10 per \$100 of taxable value to \$1.00.

1999: LB 881 also provided for \$25 million for the Relief to Property Taxpayers Act. The act provided direct local property tax relief to all taxable real property in the form of a tax credit and is displayed on the tax statement. The credit, for year 2000, provided \$30.54 in property tax relief for every \$100,000 in taxable value. In other words, for every \$100,000 in taxable value, the state will pay the local taxing subdivisions \$30.54 that otherwise would have been collected from the taxpayer. Due to state budget constraints, the Legislature did not appropriate any monies to the Relief to Property Taxpayers in 2001 and subsequently repealed the Act in 2002.

2003 LEGISLATION

LR 2 CA. This constitutional amendment places on the general election ballot of 2004, a proposal to amend the exemption clause ART. VII, section 2 of the Nebraska Constitution to allow the exemption, in whole or in part, of the increased value created by rehabilitating or preserving historically significant real property. The extent and process for the exemption would be spelled out by the Legislature by general law.

LB 191. Amends section 77-1601 to change the date by which county boards may correct levies made in error from 30 days after the levy has been made to November 5th. Also, under LB 191, a special hearing would not be required to correct a levy, but there would have to be a public hearing. **Operative date August 31, 2003.**

LB 192. Amends sections 77-3510 and 77-3512 to change the application date for filing for the homestead exemption to be earlier, from April 1st to February 1st. Application filing time will be February 1 through June 30. **Operative date August 31, 2003.**

LB 291 The bill amends several TERC statutes regarding rules and regulations with a single general grant of rule and regulation authority and replaces several exceptions from the Administrative Procedures Act with a general exception. Also, LB 291 provides for a vice chairperson of the TERC. The vice chair is the other attorney-member. Finally, the bill statutorily gives the TERC the authority to consider constitutions, statutes, regulations or dissertations in its decision-making without having the documents entered into evidence. **Contained the emergency clause and became effective April 3, 2003.**

Section by section summary:

Section 1 Amended section 77-103.01 to clarify the definition of “class and subclass” of real property.

Section 2 Amended section 77-1504.01 to authorize the use of video-conferencing for county petitions for equalization without complying with the Administrative Procedures Act and without a monitor at the site to take exhibits.

Section 3 Amends section 77-1510 to strike obsolete language.

Section 4 Amends section 77-5001 to incorporate the language in section 11, which requires a notice and the agenda for county equalization.

Section 5 Amends section 77-5003 to strike the provision that the Governor appoint the Chairperson, (since the Chairpersons rotate among the attorney members) and provide that the other attorney member be the vice-chairperson.

Section 6 Amends section 77-5005 to eliminate the provisions governing deliberations of the TERC. All proceedings are to be open to the public. The provisions of the Nebraska Administrative Procedures Act shall only apply to the rule-making authority of the TERC.

Section 7 Amends section 77-5011 to provide that the vice-chairperson preside in the absence of the Chairperson.

Section 8 Amends section 77-5015 to strike the requirement that the notice of hearing state the issues on appeal of a contested case. This section also strikes the specific requirement that the TERC adopt rules and regulations for notice and hearing.

Section 9 Amends section 77-5016 to clarify and reword the section and grant the TERC general authority to adopt rules and regulations for discovery of evidence between parties in contested cases. This section also would allow the TERC to consider the U.S. and state constitution, U.S. and state statutes, various regulations, and legislative histories without placing the documents in evidence. The TERC could also consider documents that relate to valuation or assessment if the documents are listed in the rules of the commission.

Section 10 Amends section 77-5021 to grant general authority to the TERC to adopt rules and regulations to carry out its powers and authority.

Section 11 Deals with statewide equalization. It provides that the TERC is to provide notice of the hearing stating that the agenda is available at the TERC office. The agenda may be updated continuously.

Section 12 Amends section 77-5022 to annually require the commission to equalize the assessed value, special value and recapture value. Also authorizes the use of video-conferencing for county petitions for equalization without complying with the Administrative Procedures Act and without a monitor at the site to take exhibits.

Section 13 Amends section 77-5023 to clarify that the equalization duties of the TERC include adjusting the assessed value, special value, or recapture value (in the case of greenbelt).

Section 14 Is the repealer.

Section 15 Declared an emergency.

LB 292 This legislation enacts several harmonizing and clarifying changes to the property tax statutes as suggested by a number of organizations and individuals over the last year. **Contained the emergency clause and became effective April 3, 2003.**

Section by section summary:

Section 1 Amends section 18-1743 to increase the dollar threshold for improvements that require a building permit from \$1,000 to \$2,500. This makes the threshold the same as that required to be reported to the county assessor as amended last year in LB 994 (2002).

Section 2 Amends section 60-3006 to strike the requirement that the Property Tax Administrator receive a copy of the Form 57 as it relates to the county board of equalization decisions on exemptions of motor vehicles.

Section 3 Amends section 77-101 to incorporate the new definition in section 6 of this legislation into the taxation statutes.

Section 4 Amends section 77-112 to further define actual value.

Section 5 Amends section 77-115 to clarify that the Property Tax Administrator performs the duties of the county assessor in state-assessed counties, but is not the county assessor in those counties.

Section 6 Amends section 77-126 to strike “or assessed” from the definition of “assessment.” Assessment is now defined as the act of listing and describing property, determining its taxability and determining its “taxable” value.

Section 7 Amends section 77-129 which is the definition of “assessment roll” and to cross reference with section 77-1303.

Section 8 Is a new definition of “taxable value” which has the same meaning as “assessed value”.

Section 9 Amends section 77-202.02 to strike the requirement that the Property Tax Administrator receive copies of Exemption Applications and Affidavits of Continued Exemption concerning the county board of equalization decisions on exemptions of real and personal property for property tax purposes.

Section 10 Amends section 77-202.11 to strike an obsolete first-time reporting requirement for government-owned property.

Section 11 Amends section 77-1311 to change a reference to the assessment roll to match the definitional change in section 7.

Section 12 Amends section 77-1502 to strike the requirement that the Property Tax Administrator receive copies of the Property Valuation Protest concerning the county board of equalization decisions on valuation protests of real and personal property.

Sections 13 and 14 Amend sections 77-1706 and 77-1707, to remove obsolete language pertaining to the delivery and issuance of tax receipts by the county treasurer.

Section 15 Amends section 77-5004 to repeal the reimbursement of mileage and living expense to commissioners whose residence is located more than eighty miles from the commission office.

Operative date July 1, 2003.

Section 16 Amends section 79-1082 to include in the total levy under the levy limits pursuant to section 77-3442, the site and building fund levies for Class V school districts.

Section 17 Amends section 81-1174 to strike the language referring to language stricken in section 15 of this legislation. **Operative date July 1, 2003.**

Section 18 .Operative dates. **Section s 15, 17 and 19 become operative on July 1, 2003. All other sections become operative on August 31, 2003.**

Sections 19 and 20 Repealers.

LB 295 The bill amends section 77-1361 to strike a current requirement that farm sites be assessed at the same value per acre as contiguous farm land that is in the same ownership. Essentially, LB 295 would repeal LB 419 that was enacted in 2000.

This legislation also amends sections 77-112 and 77-1371 concerning the use of the comparable sales guidelines in section 77-1371 and also defines what a comparable sale is under section 77-1371. **Operative date August 31, 2003.**

LB 319 This legislation amends sections 77-1832, 77-1833 and 77-1834 to provide that notice be provided by certified mail rather than certified or registered mail to the owner and lien holders of real property upon which a tax lien is about to be foreclosed. Also requires that the notice be sent to the owner at the address that the property tax statement is sent, with a return receipt. Removes the requirement that the occupant of the real property be notified. **Contained the emergency clause and became effective April 3, 2003.**

LB 443 Amends five sections dealing with holders of county assessor certificates (77-414, 77-415, 77-417, 77-420, and 77-422). **Operative date August 31, 2003.**

Section by section summary:

Section 1 Amends section 77-414 to strike “county assessors” and add new language “holders of county assessor certificates”.

Section 2 Amends section 77-415 to require state employees carrying out the duties of county assessors attend the annual course of training administered by the Property Tax Administrator. **Section 77-415 terminates on January 1, 2005.**

Section 3 Amends section 77-417 to require the travel, meals and lodging expenses for county assessors who attend the annual course of training to be paid from the county general fund and all attending state employees carrying out the duties of county assessors to be paid from the cash fund of the Department of Property Assessment and Taxation.

Section 4 Amends section 77-420 to allow assessment seminars to supplement the educational courses required pursuant to section 77-414.

Section 5 Amends section 77-422 requires the Property Tax Administrator to establish a system for revoking or suspending the assessor certificate of certificate holders who have not maintained their educational requirements pursuant to section 77-414. Also allows any person whose certificate has been revoked or suspended, the right to appeal the decision of the Property Tax Administrator.

Section 6 Repealer.

ADMINISTRATION OF PROPERTY ASSESSMENTS AND TAXATION

All property in the state of Nebraska is subject to property tax unless an exemption is mandated by the Nebraska Constitution, Article VIII, or is permitted by the constitution and enabling legislation is adopted by the Legislature. Federal law may supersede the Nebraska Constitution with regard to taxation of property owned by the federal government or its agencies or instrumentalities. All property in the state of Nebraska, which is subject to taxation, shall be valued as of January 1, 12:01 a.m., of each year.

The assessor is responsible for valuing all real and personal property with the exception of railroads, public service entities, and specific personal property of air carrier and rail car line companies, which are assessed by the Property Tax Administrator. The valuation of real property is determined according to mass appraisal techniques, including but not limited to the following: (1) comparing sales of properties with known or recognized values, taking into account location, zoning, and current functional use; (2) income approach; and (3) cost approach. The valuation of personal property is determined using a statutory method of depreciated values similar to the Federal Modified Accelerated Cost Recovery System and 150 percent declining balance depreciation schedules. All real property is assessed at or near 100% of actual value, except agricultural land is assessed at or near 80% of actual value. Personal property is assessed at 100% of the net book taxable value as determined by the statutory method.

Between January 1 and March 20 of each year, the assessor updates and revises the real property assessment roll. By April 15, agricultural and horticultural land valuation boards (AHLVB) may order an assessor to make changes to agricultural land values. Decisions of the AHLVB may be appealed to the Tax Equalization Review Commission (TERC), within 15 days of their published notice of action. Between April 1 and May 15 the TERC has the authority to adjust by a percentage the valuation of classes or subclasses of real property in any county in order to achieve equalization of property values. Decisions of the TERC may be appealed to the Nebraska Court of Appeals.

The assessor revises the real property assessment rolls, for any actions taken by the agricultural and horticultural land board or TERC, and notifies property owners of value increases or decreases by June 1. Individual protests of real property valuations may be made to the county board of equalization. The county board of equalization may adjust the protested value of individual properties. Decisions of the county board of equalization may be appealed to the TERC.

Personal property is self reported by the taxpayer, on or before May 1. If the assessor makes changes to the reported valuation a notice must be sent to the taxpayer. The action may be appealed to the county board of equalization.

On or before August 10, the TERC equalizes the real property of centrally assessed railroad and public service companies with the statewide level of assessment. The Property Tax Administrator certifies centrally assessed values to the counties.

On or before August 20, the assessor compiles and certifies the total taxable value (real, personal, and centrally assessed) to each local government taxing subdivision for rate setting purposes.

Each year, on or before October 15, the county board of equalization levies the necessary taxes, within the limits of the law, for operation of all functions of county government, school districts, cities, etc. The tax rates for these various local government taxing subdivision are determined by the dividing the subdivision's annual tax request by the current total taxable value within their boundaries. The tax rates are expressed as \$1.00 per \$100 dollars of taxable value.

Property taxes are determined by multiplying the property's taxable value by the total consolidated tax rate for the tax district in which the property is located. The tax district is comprised of various governing bodies empowered to levy property taxes for services, such as county government, school district, city, etc.

On or before November 22, the assessor transcribes the real property tax list and delivers it to the county treasurer for collection of property taxes. All real and personal property taxes, including taxes of centrally assessed railroad and public service companies, are due December 31. The first half of the tax becomes delinquent on the following May 1 and the second half becomes delinquent on September 1, except in Douglas, Lancaster, and Sarpy counties, where the first half is delinquent on April 1 and second half becomes delinquent on August 1.

Homestead Exemption

The homestead exemption program was created by the 1969 Legislature. The specific requirements have been modified over the years but the main criteria is to provide local property tax relief to qualifying elderly and disabled individuals who own and live in the home for which an exemption application is made. The exemption applies to all or part of the property taxes levied against the home, with the state reimbursing local governments from general fund revenues for those taxes exempted under the program. The laws governing the homestead exemption are found in Nebraska Statutes, Chapter 77, Article 35. For more detailed information, or answers to questions about the Nebraska homestead exemption, please contact the local assessor's office or the Nebraska Department of Revenue.

STATISTICAL TABLES

Notes regarding statistical tables:

- (1) The data sources for the statistical tables are the Certificate of Taxes Levied Report and the County Abstract of Assessment Report.
- (2) Property taxes levied includes homestead exemption tax loss.
- (3) Property taxes levied excludes taxes levied on redevelopment or enhanced value of community redevelopment projects using tax increment financing (TIF). See report to the legislature for redevelopment projects, published on March 1 of each year.
- (4) The state total valuations and property taxes levied for the years 1967 through current are listed in Table 1. Tax policy changes that affect the valuation or tax are explained in a previous section of the annual report, e.g. 1997 motor vehicles are no longer taxed based on a value. Also listed in Table 1 are the state total property tax amounts, mill levies, and average statewide property tax rates for applicable years. Payments in lieu of tax made by public power districts and other in lieu of tax payments are not included in total taxes.
- (5) For the years prior to 1981, property was valued as follows:
 - h) for 1920 and prior years, property was assessed at one fifth of its actual value;
 - i) from 1921 to 1952, property was assessed at its actual value;
 - j) from 1953 to 1955 property was assessed at 50 percent of its actual value;
 - k) in 1956 and 1957 property was assessed at 50 percent of its base value;
 - l) from 1958 to 1980 property was assessed at 35 percent of its actual value;
 - m) from 1981 to current property is assessed at 100 percent of actual (market) value, with the exception of agricultural land which in 1992 was changed to an assessment level of 80% of actual value.
- (6) Example; years 1967 to 1980, tax rates were expressed as mills per one-thousand dollars of value.

Property market value	100,000
Assessment level	35%
Assessed value	35,000
Mill levy 55.925	
or 55.925/1000	.055925
Calculated Taxes	\$ 1,957.38

- (7) Example; years 1981 to current, tax rates are expressed as rates per one-hundred dollars of value.

Property market value	100,000
Assessment level	100%
Assessed value	100,000
Tax Rate 1.9574	
or 1.9574/100	.019574
Calculated Taxes	\$ 1,957.40

(8) Example for converting a mill levy to a tax rate:

Mill levy multiplied by assessment level divided by 10.

55.925 (mill levy) multiplied by .35 (assessment level) divided by 10 (converted to \$100 per value)
equals a tax rate of 1.9574

(9) In Lieu Taxes, Table 21. In Nebraska, every public corporation and political subdivision of the state that is primarily organized to provide electricity or irrigation, and which sells electricity at retail to incorporated cities and villages, makes payments in lieu of property taxes. The payments are equivalent to 5 percent of the gross revenue derived by the power district, plus a fixed amount based on the 1957 levies. Other in lieu of tax payments are also reported for game and parks per section 37-335, housing authorities per section 71-1590, and hospitals per section 77-211.

Definitions of property type categories reported in the annual report statistical tables:

Unimproved - land without buildings or structures.

Improved - land upon which buildings are located.

Improvements - buildings or structures.

Residential/single family – all real property predominantly used or intended to be used as a dwelling place or abode whether occupied by the owner, tenant or lessee, and where occupancy is for a period of time usually year-round as opposed to a transitory occupancy by single family or two families.

Commercial - all real property predominantly used for commerce, trade, or business. For purposes of reporting, multi-family dwellings predominantly used for occupancy by more than two families, are summarized with the commercial property type.

Industrial - all real property predominantly used for the process or manufacture of goods or materials.

Recreational - all real property predominantly used for diversion, entertainment, and relaxation on an occasional basis. Some of the uses would include fishing, hunting, camping, boating, hiking, picnicking, and the access or view that simply allows relaxation, diversion and entertainment.

Mineral – an ownership interest of any minerals, mines, quarries. Producing: mineral is being extracted. Non-producing: mineral is not being extracted.

Home site – land within a residential, recreational, commercial or industrial parcel, which is used or intended to be used for residential purposes. For purposes of reporting, home site land is summarized with the parcel's predominant property type or use.

Farm home site land – one acre or less of land that is contiguous to farm site and upon which is located a residence and necessary improvements needed for residential purposes.

Farm site land – the land containing improvements that are agricultural or horticultural in nature, including any uninhabitable or unimproved farm home site, all of which is contiguous to agricultural or horticultural land. This land shall not be classified as agricultural or horticultural land and shall not include a home site.

Agricultural land is agricultural land or horticultural land that is primarily used for the production of agricultural products.

Exempt - property that receive an exemption from property tax, i.e. governmental or permissive exemptions.

Centrally assessed – property that is valued by the state for property tax purposes. The centrally assessed property included in the tables reflects operating property of railroads and public service entities.

Personal Property – depreciable tangible personal property which is used in a trade or business or used for the production of income, and which has a determinable life of longer than one year. Personal property net book value is determined pursuant to Nebraska's statutorily defined adjusted basis multiplied by the appropriate depreciation factor.

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Table 1 History of Assessed Valuation and Total Property Taxes

	Assessed	Total State	Total	Total	Average		Assessed	Total State	Total	Total	Average
Year	Valuation	Property	State	Property	State-	Year	Valuation	Property	State	Property	State-
		Tax	Mill Levy	Taxes	Wide			Tax	Mill Levy	Taxes	Wide
					Tax Rate ⁽¹⁾						Tax Rate ⁽¹⁾
1867	\$20,069,222	\$100,576	— —	— —	— —	1949	\$2,640,565,444	\$15,473,713	5.86	\$98,664,524	— —
1870	53,709,828	310,521	— —	— —	— —	1950	2,719,489,560	15,664,260	5.76	107,576,591	— —
1875	75,467,398	547,124	— —	— —	— —	1951	3,014,247,550	19,863,891	6.50	120,653,280	— —
1880	90,499,618	356,490	— —	— —	— —	1952	3,104,475,679	21,669,240	6.98	122,746,134	— —
1885	133,418,699	1,027,018	— —	— —	— —	1953	3,383,619,610	19,455,813	5.75	124,347,195	— —
1890	184,770,304	1,717,524	— —	— —	— —	1954	3,043,753,089	20,362,708	6.69	128,041,382	— —
1895	183,717,498	1,257,008	— —	— —	— —	1955	3,059,667,319	25,028,078	8.18	142,627,677	— —
1900	171,747,593	1,208,084	— —	— —	— —	1956	2,958,572,814	23,934,854	8.09	146,212,379	— —
1901	174,439,095	1,232,891	— —	— —	— —	1957	2,968,251,035	24,428,706	8.23	153,525,482	— —
1902	180,091,492	1,131,124	— —	— —	— —	1958	3,026,479,555	24,121,042	7.97	161,513,035	— —
1903	188,458,379	1,512,316	— —	— —	— —	1959	3,175,671,129	26,834,421	8.45	175,700,835	— —
1904	294,779,244	1,768,675	6.75	— —	— —	1960	3,212,807,088	27,083,963	8.43	189,000,049	— —
1905	304,470,961	2,131,296	7.00	— —	— —	1961	3,278,007,212	27,568,040	8.41	198,260,199	— —
1906	313,060,301	2,191,421	7.00	— —	— —	1962	3,367,219,071	28,385,657	8.43	214,740,261	— —
1907	329,413,349	2,305,893	7.00	— —	— —	1963	3,458,065,766	33,871,754	9.80	235,101,945	— —
1908	391,735,464	2,448,346	5.50	— —	— —	1964	3,553,328,531	32,477,422	9.14	264,171,142	— —
1909	398,985,819	2,194,421	5.50	— —	— —	1965	3,820,136,676	47,692,115	11.73	278,511,201	— —
1910	412,138,607	2,060,293	5.50	— —	— —	1966	4,338,036,742	49,317,239	10.67	308,319,630	— —
1911	415,670,075	2,577,154	6.20	— —	— —	1967	4,250,081,231	— —	— —	296,865,045	1.9289%
1912	463,371,899	2,409,533	5.20	— —	— —	1968	4,449,874,119	— —	— —	296,769,458	2.2939
1913	470,690,414	3,671,385	7.80	— —	— —	1969	5,134,365,585	— —	— —	325,400,472	2.1770
1914	471,940,195	3,681,085	7.80	— —	— —	1970	5,375,575,178	— —	— —	351,261,165	2.2872
1915	481,931,239	3,277,130	6.80	— —	— —	1971	5,537,901,733	— —	— —	389,555,957	2.4619
1916	500,827,274	3,055,046	6.10	— —	— —	1972	5,731,535,854	— —	— —	409,715,315	2.5018
1917	528,891,424	4,484,999	8.48	— —	— —	1973	6,077,281,894	— —	— —	415,705,269	2.3937
1918	567,947,914	4,361,839	7.68	32,950,800	— —	1974	6,503,268,242	— —	— —	452,328,856	2.4342
1919	568,921,750	7,395,980	13.00	40,042,226	— —	1975	6,748,224,013	— —	— —	526,583,742	2.7304
1920	762,284,909	7,932,575	10.39	51,600,457	— —	1976	7,017,779,158	— —	— —	597,011,528	3.0006
1921	3,212,737,091	10,930,607	3.30	59,365,699	— —	1977	7,627,733,927	— —	— —	638,849,456	2.9232
1922	3,202,705,714	7,366,114	2.30	53,457,481	— —	1978	7,613,655,151	— —	— —	636,321,799	2.9285
1923	3,202,926,404	6,404,457	2.00	53,280,124	— —	1979	11,980,807,548	— —	— —	683,162,818	2.0268
1924	3,186,488,549	5,736,510	1.80	53,447,380	— —	1980	12,671,717,612	— —	— —	708,671,291	1.9574
1925	3,176,773,795	7,482,542	2.35	55,967,004	— —	1981 ⁽²⁾	37,323,254,040	— —	— —	774,041,775	2.0739
1926	3,177,159,318	5,718,886	1.80	54,970,346	— —	1982	38,553,689,126	— —	— —	820,801,472	2.1290
1927	3,141,146,610	11,779,299	3.75	66,028,255	— —	1983	41,035,051,584	— —	— —	893,894,759	2.1802
1928	3,125,855,462	6,439,262	2.06	58,273,807	— —	1984	41,632,906,878	— —	— —	949,606,198	2.2809
1929	3,167,489,300	7,645,798	2.40	59,442,398	— —	1985	44,606,914,842	— —	— —	1,015,272,045	2.2749
1930	3,102,050,571	7,258,798	2.34	58,485,076	— —	1986	43,925,258,319	— —	— —	1,059,179,272	2.4113
1931	3,045,793,706	6,213,419	2.04	56,424,184	— —	1987	44,309,579,823	— —	— —	1,100,975,102	2.4847
1932	2,521,000,981	5,974,772	2.37	49,588,994	— —	1988	44,697,049,210	— —	— —	1,163,685,758	2.6035
1933	2,073,283,250	4,955,147	2.39	42,906,527	— —	1989	49,991,878,637	— —	— —	1,290,988,681	2.5824
1934	2,059,678,928	4,424,207	2.10	42,068,482	— —	1990	52,725,587,844	— —	— —	1,217,708,655	2.3095
1935	2,030,243,533	4,467,760	2.15	43,878,947	— —	1991	54,041,010,920	— —	— —	1,257,047,449	2.3261
1936	2,060,835,168	3,732,183	1.76	44,113,357	— —	1992	56,004,491,961	— —	— —	1,314,258,778	2.3468
1937	2,058,224,967	5,536,161	2.64	47,024,422	— —	1993	57,861,622,350	— —	— —	1,413,865,572	2.4435
1938	2,033,302,482	6,213,375	2.68	47,183,558	— —	1994	63,265,656,339	— —	— —	1,514,686,424	2.3971
1939	2,047,519,591	6,111,012	2.61	46,819,088	— —	1995	66,323,588,789	— —	— —	1,584,737,659	2.3896
1940	1,822,271,788	4,940,238	2.57	45,713,054	— —	1996	70,501,578,300	— —	— —	1,644,161,755	2.3321
1941	1,949,755,725	5,283,982	2.71	46,271,291	— —	1997 ⁽³⁾	69,048,638,885	— —	— —	1,546,541,470	2.2398
1942	2,042,442,436	4,881,437	2.39	47,710,476	— —	1998	74,603,633,524	— —	— —	1,471,472,636	1.9724
1943	2,123,882,890	5,267,230	2.48	50,165,759	— —	1999	81,499,658,239	— —	— —	1,519,472,538	1.8644
1944	2,115,063,748	6,646,877	2.54	51,814,011	— —	2000	88,307,553,325	— —	— —	1,640,581,719	1.8578
1945	2,153,798,946	6,116,789	2.84	57,511,244	— —	2001	93,938,214,211	— —	— —	1,761,833,590	1.8755
1946	2,160,972,214	7,131,208	3.30	63,243,778	— —	2002	98,162,679,918	— —	— —	1,868,146,583	1.9031
1947	2,315,369,866	13,869,065	5.99	81,396,348	— —	2003	104,200,041,103	— —	— —	2,038,627,401	1.9565
1948	2,499,222,769	13,145,912	5.26	90,287,526	— —						

1 From 1967 to 1980 Nebraska used mill levies. The mill levies have been adjusted to compare with average state-wide tax rates.

2 1981 Assessment level changed from 35 percent of actual value to 100 percent of actual value (LB 187 passed 1979).

3 1997 value excludes motor vehicle pursuant to 1997 NEB Laws LB 271.

Table 2 Property Taxes Levied by Local Governments, 1992 to 2003 ⁽¹⁾

Government Subdivision	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Counties	201.9	219.0	229.5	240.5	243.7	229.0	227.2	229.1	242.9	270.2	292.0
Cities & Villages	166.2	171.4	177.0	189.5	190.4	175.1	175.4	186.5	190.5	203.7	210.6
Townships	8.3	8.6	8.7	8.8	9.2	9.1	8.5	8.8	9.0	9.3	9.5
Rural Fire Districts	11.6	12.1	14.0	14.6	16.0	16.3	16.5	17.1	18.9	20.1	21.4
Natural Resource Districts	18.7	19.1	20.4	21.5	22.6	22.0	23.7	25.1	27.7	30.3	31.4
Miscellaneous Districts	52.0	54.4	56.4	54.6	58.2	56.7	55.3	57.9	66.0	72.9	78.1
Educational Service Units	14.5	17.0	20.0	20.6	22.0	22.6	11.5	13.3	13.7	14.9	15.5
Community Colleges	48.8	50.9	54.8	57.7	60.2	57.7	56.0	30.6	28.6	61.9	66.0
School Districts	792.3	861.4	933.8	977.0	1,021.8	958.0	897.3	951.0	1,043.2	1,078.5	1,143.6
Total Taxes	1,314.3	1,413.9	1,514.6	1,584.8	1,644.1	1,546.5	1,471.4	1,519.4	1,640.5	1,761.8	1,868.1

(1) Amounts in millions of dollars.

